Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 LUBUMB 00546 01 OF 02 231422Z
ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 INT-05 GSA-02
STR-07 CEA-01 DOE-15 SOE-02 NRC-05 IO-13 ACDA-12
DODE-00 PM-05 H-01 L-03 NSC-05 PA-01 SS-15 /165 W
----------088173 231449Z /46
O 231345Z MAY 678
FM AMCONSUL LUBUMBASHI
TO AMEMBASSY KINSHASA IMMEDIATE
SECSTATE WASHDC 2415 PRIORITY
INFO AMEMBASSY BRUSSELS IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 LUBUMBASHI 0546

E.O. 11652 GDS
TAGS: EMIN CG
SUBJECT: GECAMINES PROSPECT AFTER THE KOLWEZI ATTACK

REF: LUBUMBASHI 0482

1. SUMMARY: KOLWEZI WAS THE MOST IMPORTANT OF GECAMINES (GC) MINING INSTALLATIONS, ACCOUNT FOR 75 C OF ITS COPPER, 85 PC OF ITS COBALT, AND ALL OF ITS ZINC. WITHOUT THE KOLWEZI PLANT, GCM WILL BE ABLE TO PRODUCE ONLY 80-100,000 MT OF COPPER AND 2,000 MT OF COBALT ANNUALLY. THE REHABILITATION OFSKOLWEZI'S INSTALLATIONS WILL REQUIRE TIME AND MONEY. AMONG THE PROBLEMS ARE SECURITY, CLEANING UP, ASSESSING DAMAGE, RESTORATION OF SERVICES, AND RE ASSEMPLING A STAFF, BOTH EXPATRIATE AND ZAIRIAN. WITH THE CONTINUED LOW COPPER PRICES AND REDUCED PRODUCTION GCM PROBABLY WILL NOT BE ABLE TO FINANCE THE REHABILITATION ITSELBNM WITHOUT IMPROVED SECURITY GCM WORKERS IN OTHER TOWNS WILL BE LEAVING, REDUCING FURTHER THE COMPANY'S OUTPUT. GCM LOSSES IN 1978 ARE ALREADY TO BE LARGE, BUT COULD BE EVEN GREATER IN FUTURE YEARS WITHOUT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LUBUMB 00546 01 OF 02 231422Z

EXTRAORDINARY RESOLVE FROM THE ZAIRIAN GOVERNMENT AND LARGE FINANCIAL COMMITEMENT FROM THE EST TO GECAMINES AND BY EXTENSION TO THE UNPOPULAR MOBUTU REGIME. END SUMMARY

#2. GECAMINES ASSISTANT DELEGATE GENERAL PICQUET ESTIMATED THAT PRELIMINARY ESTIMATES SHOW THAT THE ABSENCE OF KOLWEZI

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

FACILITIES WILL MEAN AN ANNUAL
PRODUCTION LOSS OF 350,000 MT OF COBALT (ABOUT 75 PC OF
1977 PRODUCTION) 10,000 MT OF COBALT WAS ONLY 10,215) AND
65,000 MT OF ZINC (100 PC OF CAPACITY) RELYING SOLELY
ON GCMS LUBUMBASHI AND LIKASI FACILITIES WILL PERMIT
ANNUAL PRODUCTION OF ONLY 80,00-100,000 MT OF COPPER
(6700-8300 MT/MONTH) AND 2000 MT OF COBALT (167 MT/MONTH)
3. GCM HDODUCTION DURING THE FIRST PART OF THE YEAR
WAS DOWN ABOUT 13 PC BECAUSE OF FUEL SHORTAGES AND SPARE
PARTS PROBLEMS WHICH HAD LAREGLY BEEN OVERCOME JUSTBEFORE
THE ATTACK. GCM PRODUCTION DURING THE FIRST FOUR AND ONE
HALF MONTHS WAS ABOUT 145,000 MT OF COPPER AND 3,900 MT
OF COBALT. ADDING THE MONTHLY PRODUCTION FROM REDUCED
OPERATIONS OF 4700-8300 MT/MONTH OF COPPER AND 167 MT/MONTH
OF COBALT PLUTS ANNUAL PRODUCTION FOR 1978 AT 195-207000 MT
OF COPPER AND 5152 MT OF COBALT. ZINC PRODTTION DURING
THE FIRST FOUR AND ONE HALF MONTHS AMOUNTED TO ABOUT
25,000 MT. THERE WILL BE NO FURTHER ZINC PRODUCTION
WITHOUT KOLWEZI'S FACILITIES.

4. PRESIDENT MOBUTU AFTER HIS VISIT TO KOLWEZI ON
MAY 21 REQUESTED THAT GECAMINES TAKE EVERY MEASURE TO
RESTART ITS KOLWEZI OPERATIONS. PICQUET BELIEVES THAT
THE EARLIEST ANY RENEWED ACTIVITY CAN BEGIN WOULD BE
IN TWO MONTHS. AND EVEN THEN ACTIVITIES WOULD BE VERY
LIMITED. PICQUET NOTED THE FOLLOWING PROBLEMS

CONFIDENTIAL

CONFIDENTIAL

(A) SECURITY: NO WORK CAN BEGIN UNTIL SECURITY IS
RESTORED. FEW PEOPLE BELIEVE THAT FAZ CAN PROVIDE
THE NECESSARY SECURITY. A WESTERN SECURITY PRESENCE
FOR AT LEAST THE NEXT SEVERAL YEARS IS CONSIDERED THE
ONLY ALTERNATIVE WHICH WILL PERMIT THE RETURN OF EX
PATRIATES TO KOLWEZI. IN ADDITION, GECAMINES EMPLOYEES IN
OTHER PARTS OF SHABA HAVE THREATENED TO LEAVE ZAIRE
UNLESS ADEQUATE SECURITY IS PROVIDED TO THEM TO PREVENT
A SECOND KOLEWEZI-LIKE ATTACK. DG UMBA WENT TO KINSHASA

ON MAY 22 TO DISCUSS WITH PRESIDENT MOBUTU DETERIORATION
OF MORALE IN SHABA AND EXPATRIATE DEMAND FOR A
CONTINUING WESTERN SECURITY PRESENCE.

(B) CLEAN-UP AND REPAIRS: THE DEAD MUST BE BURIED
AND ESTIMATE MADE REGARDING THE EXTENT OF THE DAMAGE
TO GECAMINES PLANT AND EQUIPMENT. NOBODY IS BELIEVED
TO HAVE YET BEGUN THE TASK OF BURING KOLWEZI'S DEAD.
GECAMINES OFFICIALS FEEL THE RESPONSIBILITY FOR THIS

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LUBUMB 00002 231431Z
ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 INT-05 GSA-02
STR-07 CEA-01 DOE-15 SOE-02 NRC-05 IO-13 ACDA-12
DODE-00 PM-05 H-01 L-03 NSC-05 PA-01 SS-15 /165 W
----------088373 231450Z /46
O 231345Z MAY 678
FM AMCONSUL LUBUMBASHI
TO AMEMBASSY KINSHASA IMMEDIATE
SECSTATE WASHDC 2416 PRIORITY

INFO AMEMBASSY BRUSSELS IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 2 LUBUMBASHI 0546

WILL FALL ON THEIR SHOULDERS. ACTION MUST BE TAKEN
QUICKLY TO PREVENT EPIDEMICS BUT GCM CANNOT DO ANYTHING
UNTIL THEY CAN WALK THE STREETS SAFELY. A TEAM HAS BEEN
ASSEMBLED TO VISIT KOLWEZI ON PERHAPS MAY 24 TO CHECK
ON BURIAL POSSIBILITIES AND ASSESS DAMAGE TO GCM
PLANT AND EQUIPMENT.

(C) RESTORATION OF SERVICES. THE PRESIDENT ASKED
GCM TO QUICKLY ATTEMPT TO RESTORE WATER, ELECTRICITY
COMMUNICATIONS, AND RAIL SERVICES TO KOLWEZI. THESE TASKS
HAVE BEEN DELEGATED TO VARIOUS OFFICES, BUT THERE ARE NOT
YET ANY ESTIMATES ABOUT THE TIME AND
MATERIALS REQUIRED.

(D) EXPATRIATE EXMPLOYEES. GCM CANNOT RUN ITS SOPHISTICATED
OPERATIONS WITHOUT EXPATRIATE HELP. MANY EVACUEES LOST
EVERYTHING AND WILL NEVER RETURN TO ZAIRE. GCM ESTIMATES
THAT THE AVERAGE FAMILY SUFFERRED A LOST OF $10,000 UP
TO $20,000 IF THEY OWNED A CAR BECAUSE OF THE COST OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LUBUMB 00002 231431Z

INLAND FREIGHTFIAND THE HIGH TARRIFFS. GCM FEELS IT MUST

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

REIMBURSE OLD EMPLOYEES FOR LOSSES AND OFFER
ALL EMPLOYEES FURNISHED HOMES AND AUTOMOBILES. EMPLOYEES
FROM OTHER GCM PLANS ARE OBVIOUSLY HESITANT ABOUT
ACCEPTING ANY WORK IN KOLWEZI. RECRUITEMENT IN EUROPE
WILL NOT BE EASY BECAUSE OF RECENT EVENTS.

(E) ZAIRIAN CADRE AND WORKERS: GCM'S ZAIRIAN EMPLOYEES
WERE EQUALLY TERRORIZED BY THE INVASION, ALTHOUGH THEY
PROPORTIONALLY NOK FEWER CASUALITIES. AS THE FRENCH
LEGIONNAIRES COMB THE CITIES OF KOLWEZI FOR
SUSPECTS, OFTEN SHOOTING BEFORE ASKING, ZAIRIAN CASUALITIES
CAN BE EXPECTED TO MOUNT. WHILE GCM WILL PROBABLY
BE ABLE TO FIND WORKERS FOR THE MINES AND FACTORIES
AT KOLWEZI, THE ZAIRIAN CADRE ARE LIKELY TO BE AS
SQUEAMISH AS THEIR EUROPEAN COUNTERPARTS ABOUT
RETURNING TO KOLWEZI

5. COPPER PRICES REMAIN DEPRESSED: IF COPPER PRICES
HOEVER AT ABOUT $.55/.50/LB ON THE LONDON METAL MARKET
GECAMINES WILL BE HARD PRESSED TO FIND THE FUNDS TO
FINANCE ITS REHABILITATION. EVEN WITH ACCESS TO ALL OF
ITS FOREIGN EXCHANGE, GECAMINES WILL HAVE A DIFFICULT TIME
RESTORING KOLWEZI AND PROVIDING THE BENEFITS NECESSARY
TO ATTRACT A COMPETENT STAFF.

6. ALL GCM EXPANSION PLANS TO INCREASE COPPER PRODUCTION
BY 100,000 MT AND COBALT BY 5,000 MT BY MID-191:
CENTERED IN KOLWEZI. THE FOREIGN COMPANIES RESPONSIBLE
FOR THE TECHNICAL SIDE OF THE CONSTRUCTIONS, PRIMARILY
BARON LEVEQUES AND MECHIM, SUFFERED A HIGH PROPORTION OF
CASUALTIES BECAUSE MANY OF THEIR TECHNICIANS LIVED IN
AREAS WHERE THE FIGHTING WAS HEAVIEST. GECAMINSE BELIEVES
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LUBUMB 00002 231431Z

THAT ALL CONSTRUCTIONS CONTRACTS WILL HAVE TO BE RENEGOTIATED,
WHICH WILL MEAN A DELAY OF SIX MONTHS AT A MINIMUM BEFORE
WORK MIGHT BEGIN AGAIN.

7. THE ROAD AHEAD FOR GECAMINES IS VERY ROUGH. A
RETURN TO LIMITED PRODUCTION WITHIN TWO MONTHS IS
OPTIMISTIC. RECONSTRUCTION AND RESTAFFING WILL BE
EXPENSIVE. GCM HAS STARTED MAKING PLANS BUT THERE
IS NO CERTAINTY IT HAS THE MEANS TO IMPLEMENT THEM.
NOT ONLY MUST GECAMINES PLAN FOR KOLWEZI'S FUTURE BUT
IT MUST BE ABLE TO ASSURE ITS STAFF IN OTHER MINING
TOWNS THAT THE SAME THING WILL NOT HAPPEN AGAIN. IN
ADDITION TO THE KOLWEZI LOSS, GECAMINES FACES
REDUCED PRODUCTION AT ALL OF ITS PLANST BECAUSE OF
EMPLOYEE MORALE AND POSSIBLE DEPARTURES. THE ROLE
OF GECAMINES AS THE DOMINANT PRODUCTIVE ENTERPRISE IN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

ZAIRE'S ECONOMY HAS CHANGED DRASTICALLY IN THE LAST
WEEKS. GECAMINES REQUIRES SECURITY GUARANTEES AND EVERY
AVAILABLE FINANCIAL RESOURCE TO ATTEMPT TO REESTABLISH
ITSELF. IF THE MEANS ARE NOT AVAILABLE, GCM CAN BE
EXPECTED TO SHOW EVEN GREATER FUTURE LOSSES. GECAMINES
AS IT IS PRESENTLY KNOWN MAY NOT SURVIVE THE ORDEAL.
THE REHABILITATION OF GECAMINES WILL REQUIRE MORE RESOLVE
THAN THE ZAIRIAN GOVERNMENT HAS
BEEN ABLE TO SHOW IN THE
PAST AND MORE OF A COMMITEMENT THAN WESTERN POWERS HAVE
PREVIOUSLY BEEN WILLING TO PROVIDE TO THE POTENTIALLY
UNSTABLE AND LOCALLY UNPOPULAR MOBUTU REGIME.
BORG

CONFIDENTIAL

NNN

*** Current Handling Restrictions *** n/a
*** Current Classification *** CONFIDENTIAL

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMBAT OPERATIONS, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 23 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LUBUMB00546
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: n/a
Expiration:
Film Number: D780222-0076
Format: TEL
From: LUBUMBASHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197805108/aaaafjoi.tel
Line Count: 241
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Message ID: 89bba494-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 LUBUMBASHI 482
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2534890
Secure: OPEN
Status: <DBA CORRECTED> mcm 970819
Subject: GECAMINES PROSPECT AFTER THE KOLWEZI ATTACK
TAGS: EMIN, MOPS, CG
To: KINSHASA STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/89bba494-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014